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## AIR AMERICA RETIREMENT PLAN

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AIR AMERICA RETIREMENT PLAN

Section 1

Name, Effective Date and Definitions

1.1 Name of Plan

Air America, Inc. hereby establishes a retirement plan which shall be known as the Air America Retirement Plan, hereinafter referred to as the "Plan."

1.2 Effective Date

The Plan shall become effective March 30, 1962, hereinafter referred to as the "Effective Date." Each March 30 thereafter shall be known as an "Anniversary Date."

1.3 Definitions

- (a) "Company" shall mean Air America, Inc. and any person, firm or corporation which may hereafter succeed to the business of said Company, by merger, consolidation or otherwise, and which, by appropriate action, shall adopt the Plan. It shall likewise mean any affiliated or subsidiary company which may hereafter adopt the Plan and become a party to it with the approval of Air America, Inc., and further it shall mean any predecessor company from October 25, 1946.
- (b) "Employee" shall mean any person including officers, and directors who are also officers, employed by the Company who is on the Company's permanent roster of employees at the time of any action taken under this Plan and who is a citizen of the United States of America, a citizen of Australia, or a citizen of the United Kingdom and other European Countries except persons who are considered dual nationals by the Republic of China.

- (c) "Flight Personnel" shall mean any Employee whose regular duties involve aircraft flight as determined by the Company at the time of any action taken under this Plan; namely, Captains, First Officers, Flight Radio Operators, Flight Engineers, and Navigators. Cabin Attendants, Stewards, Stewardesses, Purser, Air Freight Specialists and the like are not included under this subsection (c) but are covered under subsection (d).
- (d) "Non-Flight Personnel" shall mean any Employee who is not classified by the Company as "Flight Personnel" at the time of any action taken under this Plan.
- (e) "Participant" shall mean any Employee who participates in the Plan when or after he becomes eligible for participation as provided in Section 2.
- (f) "Retired Participant" shall mean any Participant who has retired in accordance with the provisions of the Plan.
- (g) "Normal Retirement Date" shall mean for any Participant the first day of the month coincident with or next following attainment of age sixty (60) in the case of Flight Personnel and age sixty-five (65) in the case of Non-Flight Personnel, or the first Anniversary Date, if later.
- (h) "Actual Retirement Date" shall mean the date on which a Participant is relieved from duty by reason of retirement.
- (i) "Fund" shall mean the trust fund established in accordance with the provisions of Section 6.
- (j) "Individual Account" shall mean the individual ledger in respect of any Participant setting forth the unit values allocated under the Plan in his behalf, in accordance with the provisions of Section 7.

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- (k) "Trustee" shall mean the trustee or trustees at any time holding the assets of the Fund, as provided in Section 6.
- (l) "Continuous Service" of an Employee shall mean his most recent unbroken period of service with the Company, including any period prior to the Effective Date but not earlier than October 25, 1946. Service with any related or subsidiary company or predecessor referred to in definition (a) above shall be considered service with the Company. A break shall be deemed to have occurred in an Employee's Continuous Service whenever he voluntarily resigns or is discharged by the Company or when his employment is terminated for failure to return to the service of the Company after a Company-Approved Leave, completion of Compulsory Military Service or Authorized Leave. An interruption in an Employee's Continuous Service while on Company-Approved Leave or Authorized Leave shall not be deemed a break in Continuous Service for purposes under the Plan. An Employee on leave in connection with compulsory military service with the United States of America shall be deemed to be in Continuous Service to the extent required by applicable Law. An Employee shall be deemed to be in Continuous Service while on sick leave at reduced pay. If a former employee is rehired after a break in Continuous Service, his Continuous Service thereafter shall commence on the date that he is rehired.
- (m) "Credited Service" as of any particular date shall mean the number of completed years of Continuous Service excluding any Continuous Service as follows:
- (1) The first year thereof and any additional Continuous Service prior to the attainment of age twenty-five (25) of any Participant.



- (2) Continuous Service while on compulsory military service leave.
- (3) Continuous Service while on Authorized Leave.
- (n) "Compensation" shall mean total remuneration received by an Employee from the Company including basic salary, longevity, position allowance, and flight pay time remuneration, but excluding per diem, expense payments, cost of living allowances, provisional assignment allowances, project pay, bonuses and any other form of compensation not specifically included.
- (o) "Permanent Roster" shall mean the official list of employees, defined as permanent by the Company Personnel Manual, issued by the Company Personnel Division as of the Effective Date and as subsequently revised.
- (p) "Company Approved Leave" shall mean an Employee on approved leave without pay who is specifically authorized by the Company to be continued on the Company's "Permanent Roster" of Employees.
- (q) "Authorized Leave" shall mean an Employee on approved leave without pay who is not authorized by the Company to be continued on the Company's "Permanent Roster" of Employees.
- (r) The masculine pronoun whenever used herein, shall include the feminine and neuter genders and the singular numbers whenever used herein, shall include the plural and the plural the singular unless the context clearly indicates a different meaning.
- (s) "Fiscal Year" shall mean the Fiscal Year of the Company ending March 31.

Section 2Eligibility for Participation2.1 Employees Eligible as of the Effective Date

Any Employee in the active service of the Company or on Company Approved Leave who has on the Effective Date completed one (1) year of Continuous Service and attained age twenty-five (25), shall be a Participant as of the Effective Date, provided, however, that any Participant who fails to execute and file the application form for continued participation provided for in Section 2.4 within ninety (90) days of the Effective Date or such later date as may be designated by the Retirement Board shall cease to be a Participant.

2.2 Employees Eligible After the Effective Date

Any Employee not eligible to become a Participant as of the Effective Date, including any Employee whose Continuous Service commences subsequent to the Effective Date or whose participation is terminated for failure to execute and file the application form for continued participation in the time allotted pursuant to Section 2.1 shall, after signing the necessary completed application form for participation in the Plan, be eligible to become a Participant on the first day of the month following (i) the date of the completion of one (1) year of Continuous Service and attainment of age twenty-five (25); or (ii) the date of filing said completed application form, if later; provided however that Employees becoming Participants after the Effective Date (except pursuant to Sections 2.3 below or whose participation is terminated for failure to execute and file an application for continued participation in the time allotted pursuant to Section 2.1) shall be credited for benefit purposes only in respect of service after becoming a Participant.

### 2.3 Employees Eligible Upon Return from Authorized Leave or Compulsory Military Leave

Each Employee who enters or has entered upon leave for compulsory military service with the United States of America or Authorized Leave prior to the Effective Date or prior to the date for filing an application for continued participation pursuant to Section 2.1 and who returns to active service with the Company within the period in which he has re-employment rights accorded to him by applicable law or by the Company, shall, if otherwise qualified, be eligible to become a Participant on the first day of the month following his return to active service. However, the Employee must join the Plan by executing and filing an application for participation provided for in Section 2.4 within sixty (60) days of the date of his eligibility following his return to active service in order to be eligible to receive prior service benefits.

### 2.4 Application for Participation

Each Employee must file a written application for membership in the Plan (or as in the case of those Employees covered by Section 2.1 an application for continuation of membership in the Plan) stating his agreement to be bound by all of its terms and conditions, waiving any right and relieving the Company of any obligation to pay or fund pension or retirement benefits for his account under the laws or regulations of China and other jurisdictions or if paid authorizing an appropriate set-off as provided in Section 4.7 except Social Security payments required by the United States, authorizing arrangements for collection of his contributions from his regular earnings or otherwise stating a method of regular contribution acceptable to the Retirement Board and designating a beneficiary or beneficiaries in the event of his death, all in accordance with such rules and upon such forms as may be prescribed by the Retirement Board.

## 2.5 Effective Date of Participation

Each Employee, other than those who are Participants and continue as Participants under Section 2.1, who has filed an application for membership shall become a Participant on the first day of the month following the filing of his application.

## 2.6 Employees Eligible after Withdrawing from the Plan

A Participant who voluntarily withdraws from the Plan, other than those whose participation is terminated for failure to execute and file an application form for continued participation in the time allotted pursuant to Section 2.1, will be eligible to rejoin one year after the date of withdrawal upon executing and filing of an application form as provided in Section 2.4 for renewed participation in the Plan; provided however that such Participant shall be credited for benefit purposes only in respect of service after such renewed participation. Those Participants whose participation is terminated for failure to execute and file an application form for continued participation in the time allotted pursuant to Section 2.1 will be eligible to rejoin as provided in Section 2.2.

# Section 3

## Eligibility for Benefits

### 3.1 Eligibility for Normal Retirement Benefits

Any Participant who retires on his Normal Retirement Date shall, upon filing of the application prescribed by the Retirement Board therefor, be entitled to receive a retirement benefit determined in accordance with Section 4.1.

### 3.2 Eligibility for Early Retirement Benefit

Participant who retires prior to his Normal Retirement date shall,

upon filing of the application prescribed by the Retirement Board therefor, be entitled to receive an early retirement benefit determined in accordance with Section 4.2.

### 3.3 Eligibility for Late Retirement Benefit

Any Participant may continue in the service of the Company beyond his Normal Retirement Date with the year-to-year consent of the Company. However, no contributions will be made by either the Participant or the Company after his Normal Retirement Date. Upon his filing of the application prescribed by the Retirement Board therefor, the Participant may with the approval of the Retirement Board receive a retirement benefit on his Normal Retirement Date or any time thereafter determined in accordance with Section 4.3. If not sooner received pursuant to the foregoing sentence the Participant shall be entitled to receive upon his Actual Retirement Date a late retirement benefit determined in accordance with Section 4.3.

### 3.4 Eligibility for Disability Benefit

If any Participant who is an Employee in the active service of the Company or on Company Approved Leave becomes disabled to the degree that the Company determines that he is thereby prevented from further gainful employment with the Company, he shall be eligible, in lieu of the early retirement benefit, for a disability benefit in accordance with the provisions of Section 4.4.

### 3.5 Eligibility for Death Benefit

If any Participant who is in the active service of the Company or on Company Approved Leave or who is receiving a benefit in installments under the Plan dies, his beneficiary shall be eligible for a Death Benefit in accordance with the provisions of Section 4.5.

### 3.6 Eligibility with Regards to Status of Employment of Participant

Benefits to Participants with regards to Flight Personnel and Non-Flight Personnel will be governed by the provisions in the Plan pertaining to such status of employment at the time of retirement regardless of prior difference in status of employment, if any.

## Section 4

### Computation and Payment of Benefits

#### 4.1 Normal Retirement Benefit

The normal retirement benefit of a Participant shall be an amount equal to the full unit values in his Individual Account on his Normal Retirement Date.

#### 4.2 Early Retirement Benefit

The early retirement benefit shall be based on the full unit values in the Individual Account as follows:

- (a) In the event that early retirement is elected before a Participant has completed five (5) years of credited service such Participant's Individual Account shall be reduced by three-fourths ( $3/4$ ths) of the Employer units then allocated to such Account pursuant to Section 7.
- (b) In the event that early retirement is elected on or after a Participant has completed five (5) years of credited service but before he has completed ten (10) years of credited service such Participant's Individual Account shall be reduced by one-half ( $1/2$ ) of the Employer units then allocated to such Account pursuant to Section 7.

- (c) In the event that early retirement is elected on or after a Participant has completed ten (10) years of Credited Service but before he has completed fifteen (15) years of Credited Service such Participant's Individual Account shall be reduced by one-fourth (1/4th) of the Employer units then allocated to such Account pursuant to Section 7.
- (d) In the event that early retirement is elected on or after a Participant has completed fifteen (15) years of Credited Service the early retirement benefit of a Participant shall be an amount equal to the full unit values in his Individual Account at date of early retirement.

#### 4.3 Late Retirement Benefit

The late retirement benefit of a Participant shall be an amount equal to the full unit values in the Participant's Individual Account on his Actual Retirement Date or if payment is made prior to Actual Retirement Date an amount equal to the full unit values in his Individual Account at time of payment.

#### 4.4 Disability Retirement Benefit

The disability retirement benefit of a Participant shall be an amount equal to the full unit values in his Individual Account as of such retirement date.

#### 4.5 Death Benefit

- (a) The death benefit for any nonretired Participant who has received no previous benefit payments under the Plan shall be an amount equal to the full unit values in the Participant's Individual Account at the time of his death and shall be payable to the beneficiary named by the Participant as provided in Section 4.8 below.

- (b) The death benefit for any Participant who at the time of his death is receiving a benefit under the Plan shall be the full unit values, if any, represented by the remaining number of units in his Individual Account as reduced by the value of the units received prior to date of death and shall be payable to the beneficiary named by the Participant as provided in Section 4.8 below.

#### 4.6 Payment of Benefits

All benefits shall be payable in United States currency or negotiable instruments as a lump-sum amount. However, in the case of retirement benefits (normal, early, late or disability), the Participant and the Retirement Board may mutually agree on either (i) the payment of the applicable number of units in his Individual Account in installments for a term certain, or (ii) such total Individual Account (in whole or in part) may be used to provide a monthly life annuity for the Retired Participant through the purchase by the Trustee from an insurance company (or insurance companies) of one or more annuity contracts. In the case of death benefits, the Participant prior to death, or the beneficiary after death, together with the Retirement Board may mutually agree on the payment of the units comprising the total death benefit in installments for a term certain. In any case where benefits have commenced on the basis of an agreed-upon term certain, later mutual agreement with the Retirement Board may cause a commutation of the remaining unit benefits for the term certain to be paid in one sum as final discharge of the benefits due under the Plan.

#### 4.7 Other Mandatory Retirement Benefits

If the Company is required by law or other regulatory measure to pay,



fund or otherwise contribute to pension or retirement benefits on behalf of or for the benefit of a Participant other than those provided for in the terms of the Plan, such benefits will be paid from or in lieu of the Company's contribution as provided in Section 6.3 or from Employer units if already set up in the Participant's Individual Account to the extent required to cover the cost to the Company of such other benefits; provided, however, that this Section 4.7 shall not include United States Social Security payments made by the Company on behalf of Participants.

#### 4.8 Beneficiary

A Participant or Retired Participant may designate a beneficiary to receive any benefits payable hereunder, in case of the death or incapacity of the Participant or Retired Participant. Such designation shall be in writing and shall be filed with the Retirement Board. Such designation may be changed from time to time by the Participant or Retired Participant by the filing of a written notice thereof with the Retirement Board. If the designated beneficiary predeceases the Participant or Retired Participant or dies in a common disaster or accident with him, and no substitute beneficiary is designated, or if no initial designation of a beneficiary has been made, then any death benefit payable in accordance with Section 4.5 hereof will be made to the legally appointed representative of the estate of the deceased Participant or Retired Participant located in the country of his domicile as set forth in his passport, if any, or as reflected in his personnel records with the Company, at the time of his death whichever is more convenient for the Retirement Board; provided, however, that neither the Company nor the Retirement Board shall be obligated to obtain the appointment of the legal representative of such an estate; and provided further, that any such death benefit remaining unclaimed or unpaid to such legally appointed representative at

the time of any termination of the Plan shall be disposed of within the discretion of the Company.

#### 4.9 Suspension of Employee Contributions

If a Participant in the active service of the Company or on Company Approved Leave ceases to make his contributions hereunder, he shall be deemed to be in suspense for the period of one year after the first date of such cessation of contributions. If at the end of one year's suspension the Participant has not paid up his past due contributions and recommenced to make his current contributions, then his participation shall be terminated and he shall receive, in full settlement under the Plan the unit value to which he would be entitled under the early retirement provisions of Section 4.2. A Participant whose participation in the Plan has been terminated will be eligible to rejoin one year after the date of such termination upon executing and filing of an application form as provided in Section 2.4 for renewed participation in the Plan; provided, however, that such Participant shall be credited for benefit purposes only in respect of service after such renewed participation.

#### 4.10 Voluntary Withdrawal from Plan

Any Participant may voluntarily withdraw from the Plan at any time upon filing the application prescribed by the Retirement Board therefor and shall receive 90 days thereafter or such earlier date as may be set by the Retirement Board for good cause shown in full settlement under the Plan the unit values to which he would be entitled under the early retirement provisions of Section 4.2.

#### 4.11 Non-Negotiability of Contributions

Participants shall not obtain loans from their contributions or the Fund.

## Section 5

### Termination of Participation

Any Participant whose service with the Company is terminated prior to the Participant's eligibility for a normal retirement benefit shall receive as of the date of his termination of employment or with the approval of the Retirement Board on any date within one year thereafter and in full settlement under the Plan, the unit values to which he would be entitled under the early retirement provisions of Section 4.2.

## Section 6

### The Fund

#### 6.1 The Fund

The funding of the Plan and payment of the benefits thereunder shall be provided for through the medium of a trust fund held by a Trustee selected by the Board of Directors of the Company under a trust agreement a copy of which is attached hereto and made a part hereof. The contributions of the Company and the Participants to the trust fund so created, together with any income, gains, or profits, less distributions, annuity purchases and losses shall constitute the Fund. United States currency will be used as the monetary unit for all basic calculations.

#### 6.2 Participants' Contributions

Participants' contributions will be paid in United States Currency to the Trustee in the United States for the account of the Fund.

- (a) Each Participant shall contribute monthly to the Plan at the rate of 6% of his Compensation commencing as of his date of becoming a Participant or the date on which he executes and files the application form as provided by Section 2.4 whichever is the later.

- (b) A Participant in the active service of the Company or on Company Approved Leave will contribute so long as he continues to be eligible to be a Participant in accordance with Section 2 hereof; subject, however, to cessation of contributions under the Plan as set forth in Section 4.9. Contributions of Participants on Company Approved Leave shall be based upon his monthly compensation at the time of going on such Company Approved Leave.
- (c) A Participant on Authorized Leave or on leave in connection with compulsory military service, may elect to continue as an inactive Participant and during such leave periods will make no contributions to the Plan or he may elect to voluntarily withdraw from the Plan pursuant to Section 4.10; provided, however, that in the event such Participant elects to continue as an inactive Participant and does not return to active employment with the Company (due to his voluntary act, disability or death) within 30 days after the completion or termination of such compulsory military service or Authorized Leave he shall cease to be a Participant on the expiration of said 30 days and shall receive (or his beneficiary shall receive), in full settlement under the Plan, that portion of his Individual Account to which he would be entitled under the early retirement provisions of Section 4.2.
- (d) A Participant who is on sick leave at reduced pay may continue to make contributions based on his full monthly compensation prior to going on such sick leave.

### 6.3 Company Contributions

Company contributions will be paid into the Fund in United States currency in accordance with the following:

- (a) Commencing as of the Effective Date of the Plan, the Company shall contribute to the Plan each Fiscal Year such amounts which are equal to the aggregate of all Participants' Contributions as set forth in Section 6.2 above which are made in respect of each such Fiscal Year.
- (b) The Company shall, subject to Section 9, contribute additional amounts, herein called "past service contributions," equal in the aggregate to 6% of the total Compensation earned by Participants during Continuous Service prior to the Effective Date of the Plan but subsequent to their attainment of age twenty-five (25), the completion of one (1) year of Continuous Service and October 25, 19<sup>46</sup>; provided, however, that no past service contributions will be made with respect to inactive Participants who are on leave in connection with compulsory military service or Authorized Leave during the time they are on such leave status. It is the Company's intention to make these past service contributions annually over a period of time not exceeding ten (10) years from the Effective Date but the Company necessarily reserves the right to reduce or omit a past service contribution for any year or to lengthen the period of payment beyond said ten (10) years. No Participant shall have a right to benefits deriving from said past service contributions except to the extent that the amounts attributable thereto have been transferred to their Individual Accounts pursuant to Section 7.3 hereof and are payable to such Participant in accordance with the provisions of the Plan.

6.4 Disposition of Company Contributions Not Paid to a Participant Under the Terms of Plan

Company contributions allocated to Individual Accounts as Employer Units and Company contributions made to the Past Service Account to fund the past service interest of a Participant shall, if not paid to the Participant under the provisions of the Plan due to his early retirement, death, withdrawal, disability retirement, termination or other provisions of the Plan, revert to the Past Service Account or if the Past Service Account has been fully funded such contributions shall be credited against future Company obligations under Section 6.3(a).

6.5 No Liability Imposed on the Company

Any person having a right or claim under the Plan shall look solely to the assets of the Fund as allocated to Individual Accounts under Section 7 hereof. In no event shall the Company or its officers, directors, or stockholders be liable, jointly or severally, to any person whomsoever on account of any claim arising by reason of the provisions of the Plan or of any instrument or instruments implementing the provisions thereof.

6.6 Contributions to be for the Exclusive Benefit of Participants and Retired Participants

The contributions of the Company and the Participants to the Fund shall be for the exclusive benefit of Participants, Retired Participants and beneficiaries of deceased Participants and no part of the Fund shall at any time revert to the Company (except as provided in Section 10.5) other than such amounts as remain in the Fund after the satisfaction of all fixed and contingent obligations to such persons as provided in Section 9.2.

Section 7Unit Values and Accounts of the Fund7.1 Unit Values

- (a) The respective Accounts of the Fund, of Sections 7.2 and 7.3 below, shall be represented by units allocated to each Account. The initial value of each unit as of the Effective Date shall be one dollar (\$1.00). Thereafter as the value of the total Fund increases or decreases, the unit value may correspondingly change. Subject to uniform alterations for administration necessary pursuant to Section 8, for the purposes of the ensuing quarter, the Retirement Board at the end of each calendar quarter shall determine the value of a unit by dividing the sum of the uninvested cash (including contributions in course of collection for said quarter even though not received into the Fund until after the end of said quarter) and the market value of the Fund's investments, by the total number of units outstanding in the Accounts at the end of said quarter. New contributions of the Participants and the Company for any quarter shall cause such units to be added to the Accounts affected as are determined by dividing the applicable contribution by the value of a unit determined at the end of the last previous quarter. Benefit disbursements, expressed in the applicable number of units, for any quarter shall cause such units to be subtracted from the Individual Accounts affected. Transfers between Accounts shall cause such units to be added or subtracted to the Accounts affected as are determined by dividing the

amount of transfer by the value of a unit determined at the end of the last previous quarter.

- (b) Unit values while equal, one to another, at any time, shall be identified within each Individual Account as "Participant units" and "Employer units" according to the respective source of the contributions giving rise to these units.

## 7.2 Individual Accounts

Each Participant shall have his own Individual Account, comprised at any time of such Participant units and Employer units as have been allocated to his Account from previous contributions, disbursements, lapses and transfers. The value, at any time, of such Individual Account shall be the said allocated number of units multiplied by the unit value at the valuation date at the end of the preceding calendar quarter.

## 7.3 Past Service Account

Subject to uniform alterations for administration necessary pursuant to Section 8, this Section 7.3 outlines the structure and conditions for the Past Service Account.

- (a) A Past Service Account shall be established to receive Company contributions towards past service under Section 6.3(b) hereof. Such contributions shall cause such units to be added to the Past Service Account as are determined by dividing any such contribution by the value of a unit determined at the end of the preceding calendar quarter. No cash disbursements shall be made from the Past Service Account. No transfers shall be made from the Past Service Account to the Individual Accounts during the first three years of the Plan except for the purpose of meeting the past service interests of any Participant



reaching Normal Retirement Date, or upon termination of the Plan in accordance with Section 9.2. Commencing March 30, 1965 and each Anniversary Date thereafter 30% of the Past Service Account shall be transferred as Employer units to the Individual Account of each Participant then in the active service of the Company or on Company Approved Leave. Such annual transfers shall be prorated among the qualified Participants on the basis of the ratio that his total past service compensation as defined in Section 6.3(b) bears to the total aggregate past service compensation of all Participants at the time of such transfer; provided, however, in no event shall the aggregate amount transferred to an Individual Account be in excess of 6 per cent of the Participant's total past service compensation plus or minus any gains or losses attributable to his past service interest in the Past Service Account. Upon the Normal Retirement Date of a Participant in the active service of the Company or on Company Approved Leave an amount equal to 6 per cent of his total past service compensation as defined in Section 6.3(b) shall be transferred as Employer units to his Individual Account less any past service interest already so transferred in accordance with the two preceding sentences. These transfers from the Past Service Account to the Individual Account of Participants reaching Normal Retirement Date shall be made in such a manner and in such amounts as to take into account any gains or losses attributable to that portion of his past service interest which had been paid into the Past Service Account prior to the time of such transfer.

(b) The Past Service Account shall receive, from time to time, transfers of Employer units from Individual Accounts to the extent that portions of such Accounts lapse through terminations, death, withdrawals and certain early retirements or other provisions of the Plan. Such transfers shall be added to the Past Service Account as tantamount to past service contributions under Section 6.3(b) hereof.

(c) When it appears to the Company that the balance in the Past Service Account is sufficient to meet the remaining past service interests of all Participants, such remaining past service interest shall be transferred as Employer units to their Individual Account in three equal annual installments commencing on the next succeeding Anniversary Date and upon completion of such transfers the Past Service Account shall be discontinued, with any final remainder therein being credited against new Company contributions under Section 6.3(a); provided, however, no final past service interest of a Participant on compulsory military leave or Authorized Leave shall be transferred to his Individual Account until two years after he returns to active service of the Company.

#### 7.4 Statement of Accounts

As of each Anniversary Date of the Plan, a statement of each Individual Account shall be furnished each Participant.

Section 8

Administration

8.1 Administration of Plan

- (a) The responsibility for administration of the Plan shall be vested in a Retirement Board to be selected by the Board of Directors of the Company and to operate under the supervision of the Company.
- (b) Subject to the limitations of the Plan, the Retirement Board from time to time shall establish rules for the administration of the Plan and the transaction of its business. The Retirement Board shall establish and amend, as necessary, the record-keeping and accounting procedures which they and the Trustee will follow in the administration of the units, unit values and Accounts of the Fund called for under Section 7. The present provisions of Section 7 delineate the funding objectives of the Plan in the pattern of operation therein described. If the Retirement Board finds it necessary for reasons of expediting the administration of the Plan to revise said pattern in an equitable and uniform manner for Participants similarly situated, said Board may establish a revised pattern provided the objectives delineated in Section 7 are not contravened, as determined by the Company. The Retirement Board shall also have the power to otherwise construe this Plan and to resolve doubts and to reconcile or eliminate ambiguities or conflicts as to the construction thereof, and any determination under or construction of this Plan adopted in good faith by the Retirement Board shall be valid and binding upon all the parties hereto and upon all

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persons claiming through, under or against them, or any of them. The Trustee and the Participants shall be advised in writing of any such determination, construction or rules established by the Retirement Board under this paragraph (b).

- (c) No member of the Retirement Board shall receive any compensation for his services as such, and no bond or other security shall be required of him in such capacity in any jurisdiction.
- (d) The members of the Retirement Board shall use ordinary care and diligence in the performance of their duties, but no member shall be personally liable by virtue of any instrument in writing made or executed by him or on his behalf as a member of the Retirement Board, nor for any loss unless resulting from his own gross negligence or wilful misconduct.
- (e) Except for ministerial acts, all powers, duties and responsibilities herein vested in the Retirement Board may be exercised only upon the prior approval of the Company.

## Section 9

### Amendment and Termination

#### 9.1 Future of the Plan

- (a) The Company hopes and expects to continue the Plan, but necessarily reserves the right at any time to reduce or discontinue its contributions to the Fund. The Company reserves the right by resolution of the Board of Directors thereof, to amend, modify, or terminate the Plan at any time and for any reason but no such action shall (except as provided in Section 10.5) operate to permit any part of the assets of the Fund to be

used for, or diverted to, purposes other than for the exclusive benefit of Participants or Retired Participants, or to revert to the Company, except such amounts, after the satisfaction of all fixed and contingent obligations, as may remain in the Fund at its termination, nor shall such action, except to the extent required to permit the Plan to meet the requirements of the Internal Revenue Code, or of any governmental authority, affect adversely in any way the number of units, or basis for valuation thereof, already allocated to the Individual Accounts pursuant to Section 7 hereof, except as such rights may be affected by the provisions of Section 10.2.

- (b) If in the opinion of the Retirement Board and the Company a change, other than termination, is made to the Plan with regards to contributions or benefits which materially differ from the original basis under which Employees first participated, such action may be deemed sufficient grounds to allow Participants to withdraw from the Plan and to receive the full amount shown in the Participant's Individual Account at the time of such withdrawal, subject to the provisions of Section 10.2.

#### 9.2 Disposition of the Fund on Termination of the Plan

If the Plan is terminated in accordance with the provisions of Section 9.1 above, the assets of the Fund represented by the number of units in the respective Accounts of Section 7, shall be treated for benefit purposes as follows:

- (a) The units of the Past Service Account shall be transferred as Employer units to the Individual Accounts of Participants in accordance with their respective proportionate past service

interest in the Past Service Account as more fully set forth in Section 7.3(a).

- (b) After the determination of the number of units for all Individual Accounts subsequent to (a) above, the Retirement Board and the Trustee shall see to the liquidation of the assets of the Fund to pay the lump-sum benefits represented by said number of units in each Individual Account multiplied by the unit values after liquidation of assets.
- (c) If any units remain in the Past Service Account after the appropriate transfers pursuant to (a) above, of all past service interests, the residual of the assets of the Fund representing this residual shall be credited and paid over to the Company.

#### Section 10

##### Miscellaneous

#### 10.1 Inalienability of Benefits

- (a) No right or claim to any of the moneys or other assets of the Fund shall be assignable, nor shall such rights or claims be subject to garnishment, attachment, execution, or levy of any kind, and any attempt to assign, transfer, pledge, encumber, commute or anticipate the same will not be recognized by the Retirement Board or the Trustee except to such an extent as may be required by law.
- (b) If any Participant shall become bankrupt or shall attempt to assign, transfer, pledge, encumber, commute or anticipate any right or claim to any of the moneys or other assets of the Fund, then such right or claim shall, in the discretion of the

Retirement Board, cease and terminate, and in that event the Trustee may hold or apply the Participant's Individual Account, or any part thereof, to or for the benefit of such Participant, his spouse, children, or other dependents, or any of them, in such manner and in such proportions as the Retirement Board may deem proper.

#### 10.2 Temporary Limitations

In the event that the Plan is terminated or the full current costs thereof have not been met at any time before (date of 10th Anniversary), the benefits deriving from Company contributions, which any of the twenty-five highest-paid Employees, as hereinafter defined, may receive, shall not exceed those which can be provided from Company contributions not in excess of the larger of the following amounts:

- (a) United States Dollars Twenty Thousand (US\$20,000) or its equivalent, or
- (b) An amount equal to twenty per cent (20%) of the first United States Dollars Fifty Thousand (US\$50,000) or its equivalent of the Employee's average regular annual compensation for the preceding five (5) years multiplied by the number of years since the Effective Date.

These conditions shall not restrict the current payment of full retirement benefits called for by the Plan for any Retired Participant while the Plan is in full effect and its full current costs have been met. In the event that any funds are realized by the operation of the restrictions set forth in this Section 10.2, they shall be used to reduce subsequent Company contributions to the Plan, but if the Company has ceased its contributions, they shall be used for the benefit of Participants, other than the

twenty-five highest-paid Employees, on a basis which shall not result in substantial discrimination in favor of the more highly compensated Employees.

For the purpose of this Section 10.2, the "twenty-five highest-paid employees" shall mean the twenty-five highest-paid employees as of the Effective Date including any highly-paid employees who are not Participants at that time but who may later become Participants.

#### 10.3 Rights of Participants

This Plan shall not be deemed to constitute a contract between the Company and any Participant or to be a consideration for, or an inducement for, the employment of any Participant or Employee.

Nothing herein contained shall be deemed to give any Participant the right to be retained in the service of the Company or to interfere with the right of the Company to discharge such Participant at any time; nor shall it interfere with the Participant's right to terminate his service at any time.

#### 10.4 Notice to Participants

Notice of this Plan and of any amendments thereto shall be given by the Retirement Board to the Participants in such form as it may deem appropriate.

#### 10.5 Qualification of Plan

In the event the appropriate officials of the Internal Revenue Service issue a ruling that the Plan or Fund failed to meet the applicable requirements of the Internal Revenue Code as of March 20, 1962, all contributions made to the Trustees prior to the receipt of such ruling shall be released to the Company, and the Plan shall be null and void ab initio.